

EXHIBIT B



Kautex Inc., 750 Stephenson Hwy., Troy, MI 48083

December 19, 2003

Mr. Graig Grambush
Account Manager
M/C, 480-405-103
5820 Delphi Drive
Troy MI 48098-2815

Kautex Inc.
750 Stephenson Hwy.
Troy, MI 48083
USA

Phone: + 1-248-616-5100
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Subject: **GMT-800 Quality Chargeback.**

Dear Mr. Grambush;

Kautex Windsor operation has documented the cost to manage your component defects under Level 2 containment, through the launch of the GMT-800 program.

The floating core pin in Cavity 1 caused by manufacturing on machine P-5 at Delphi forced Kautex into sort and lableing to protect GM. The Kautex cost to contain this issue on Part # 15186394 is reflected on the attached cost summary for \$589,364.

Related to the Inlet Check Valve, GM again placed Kautex on CS2 due to Delphi quality issues on Part # 15127741. Please refer to the attached cost summary of \$517,584.

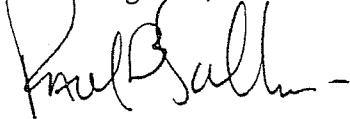
The final issue, though not completley charged by GM to Kautex is the cost of defective MRA's for an O-ring assembly issue. To date we have been charged back for \$6,820 on a number of PRR's, see attached sheet.

Kautex will issue debit memos against December shipments to Delphi for \$1,113,768 USF. These charges are detailed on the attached sheets, that cover the cost Kautex has expended dealing with quality issues with Delphi to date.

Future charges may result based on your performance to quality and it's effect to GM and Kautex. Beginning in January, Mr. Zlatko Kireta will be visiting your facility as needed to review your containments process, 8-D closure and process improvements to eliminate defective material.

It is impreative that Delphi's quality improves to eliminate costly actions on all sides and protect the customer from future quality spills.

Best Regards,

A handwritten signature in black ink, appearing to read "Paul B. Sullivan", followed by a horizontal dash.

Paul B. Sullivan
VP Supply Chain
Kautex Inc.
North America

Attachments (3)



Delphi Chargeback
Issue: Flash Condition
3-Sep

Part A: Sorting/Certification Labour

Description	Hours	Rate Per Hour	Total Charges
Material Handlers	56	\$100.00	\$5,600.00 1 Week
Production Supervisors	56	\$100.00	\$5,600.00
Material Supervisors	56	\$100.00	\$5,600.00
Downline Technicians	24	\$100.00	\$2,400.00
Receiving Inspector	56	\$100.00	\$5,600.00
Dock Receiver	56	\$100.00	\$5,600.00
Customer Support (Chris Peltier, Jean Nassar, Sabu Katour)	24	\$100.00	\$2,400.00 (1 Week 3 Plant min)
Additional Certification			
3 OperatorsX3 ShiftsX60 DaysX 8 Hrs X\$100/hr	4320	100	\$432,000.00
Additional certification required as per GM, see attached PRR			

Part B: Other Charges

Power Warehouse Space (September)	\$18,738.67
Conference Calls (Daily)	\$1,000.00
Customer Support (Bob DeYoung)	\$770.40
Expedite	\$4,000.00

Downtime Charges

Repair

Tear down of suspect date codes (rework)

Line 2 (32hrsX 8operatorsX\$100.00/hr)	256	100 \$	25,600.00
Line 3 (24hrsX 8operatorsX\$100.00/hr)	192	100 \$	19,200.00
Line 5 (16hrsX 8operatorsX\$100.00/hr)	128	100 \$	12,800.00

Down Time Charges

Initial Notification of Issue 9/2/03

Midnight Shift Down

Suspect date code 236-241

Cavity 1-Flash over condition

No build state until certified stock or sorted material received. (9/2/03 AM Day Shift)

Line 2,3/4 & 5(24 operators X 8hrsX\$100.00)	192	100	\$19,200.00
GM PRR Charges			\$2,695.00
Obsolete Parts			
176 pieces of obsolete parts			\$11,075.68

GM Returns (see Attached)

Fort Wayne/Pontiac

			\$9,484.13
Total			\$589,363.88



Delphi Chargeback
Issue: Inlet Check Valve

4-Aug-03 (*Civic Holiday Hours are set accordingly*)

Part A: Sorting/Certification Labour

Description	Hours	Rate Per Hour	Total Charges
Material Handlers	96	\$100.00	\$9,600.00
Production Supervisors	72	\$100.00	\$7,200.00
Material Supervisors	24	\$100.00	\$2,400.00
Downline Technicians	24	\$100.00	\$2,400.00
Receiving Inspector	96	\$100.00	\$9,600.00
Dock Receiver	56	\$100.00	\$5,600.00
Customer Support (Chris Peltier)	8	\$100.00	\$800.00
Operator Marking/Certification of Tanks	4536	\$100.00	\$453,600.00
Additional certification requested as per GM			

Part B: Other Charges

OnLine Sorts (Product Action)	\$5,247.86
Warehouse Space	\$14,402.31
Conference Calls	\$1,000.00
Customer Support (Bob DeYoung)	\$873.12
Power Supply (Two Generators) Kautex Supply	\$1,000.00
Plant Returns	\$3,861.00

Total **\$517,584.29**



Delphi Chargeback
Issue: Cost Recovery
January 2003 to Present

PRR#	Plant	P/N	Date	Cost
20030331-072132	Ft. Wayne	15191473	3/31/2003	\$550.00
20030311-105054	Ft. Wayne	15205614	3/11/2003	
20030331-072132	Ft. Wayne	15191473	3/31/2003	\$550.00
20031103-095939	Oshawa	15127741	10/30/2003	\$1,650.00
20031018-023815	Oshawa	15127741	10/18/2003	\$660.00
20030923-143944	Pontiac	15127743	9/23/2003	\$550.00
20030923-052108	Oshawa	15127741	9/23/2003	\$660.00
20030916-211551	Pontiac	15127743	9/16/2003	\$550.00
20030908-105636	Oshawa	15127741	8/29/2003	\$550.00
20030731-232940	Ft Wayne	15120883	7/31/2003	\$550.00
20030723-125242	Oshawa	15113898	7/23/2003	\$550.00
Total				<u>\$6,820.00</u>